

EDITORIAL REVIEW: PHILADELPHIA

INQUIRER

On Frank Snepp in "Get Permission to Read This"

- "Why hasn't Justice sued CIA for charter violations of breaking the law"
(23 June 78)

On CIA recruiting press -

"Is CIA really serious about its new directive"
(banning recruitment of journalists)
(5 Jan 78)

On Helms "badge of honor" -

"(by lying) ... Helms .. was following an established pattern of behavior by CIA officials."
(8 Nov 77)

BULLETIN

On Snepp -

"Whistle-blowers on intelligence matters should be able to rely on Congress for corrections. We hope that increasingly they can - and will."
(26 June 78)

On CIA abuses of the past -

"After effective enforcement has been assured, Americans should be able once again to view their government's intelligence gathering operations with pride."
(9 Feb 78)

PUBLIC AFFAIRS STAFF

Deputy Director Frank D. Carlucci

Address — The Commonwealth Club

San Francisco, California

Wednesday, November 15, 1978

AMBASSADOR SHIRLEY TEMPLE BLACK: ...the Congo, Tanzania and Brazil, where he was Counselor for Political Affairs. Returning to Washington in 1969, he served two years with the Office of Economic Opportunity, one year with the Office of Management and Budget as Deputy Director, and two years with Health, Education and Welfare as Undersecretary. In 1974, he returned to overseas service as U. S. Ambassador to Portugal during the turbulent times when socialism and communism were locked in their own wrestling match over Portugal.

Our guest has received Distinguished Service awards from three departments -- State, HEW and Defense; an honorary doctorate from two universities. Not only is he is a distinguished public servant and wrestler, he also served briefly as an officer in the U. S. Navy, which would provide a bond of professional interest with both the Director of the CIA and and the President.

We are delighted to welcome a gentleman that's got very serious and profoundly important responsibilities. Ladies and gentlemen, may I present to you the Deputy Director of Central Intelligence, Mr. Frank C. Carlucci.

[Applause.]

DEPUTY DIRECTOR FRANK CARLUCCI: Thank you very much, Ambassador Black, President Javits. After that introduction, I'm not sure whether I should give you a speech or wrestle. I will try the former.

As I thought about the topic of the real issues facing the CIA, a plethora of subjects lept to mind. And I tried to distill them down to essentially four. Well, let me give them to you directly and then go over them.

Number one, the nature of the external threat. Number two, the challenge of the changing nature of the intelligence business. Number three, the imperative to define the role of a secret organization in a free society. And number four, our

-2-

ability or inability, as it may be, to protect our vital information; in particular, our sources and methods. Let me look at these one at a time.

In terms of the nature of the external threat, I suppose there were some of us in the early 1970s who were thinking in terms of the changing adversary, a new kind of world order, a different kind of relationship between the big powers. And indeed, it is fair to say that all of us hoped that this will come about. But there have been two events, at least, that have occurred in the mid and late 1970s which have certainly at least raised warning signs. First are the rather extensive and blatantly imperialistic activities of the Soviet Union and its Cuban proxy in Africa. This has reminded us all too clearly that communist doctrine is a revolutionary doctrine and that it is directed at the kind of free society that we represent. I had an opportunity to observe this at firsthand in 1975 in Portugal.

Secondly, we have all watched the increasing resources being devoted by the Soviet Union to its defense establishment, or, better stated, its offensive establishment. The United States devotes somewhere between five and a half to six percent of its GNP to defense expenditures. The Soviet Union devotes more than double that. In the past ten years, U. S. defense expenditure has actually declined in real terms. The Soviets' defense expenditure has increased at a rate of about four or five percent per annum.

If we try to measure what they are doing in terms of dollar value, that is how many dollars does it take to purchase what they are doing in defense areas, we find that their effort exceeds ours by some thirty-five to forty percent, certainly far more than they need for their legitimate defense requirements.

Well, what does this mean in the intelligence area? It means, first of all, that we have reached an era of strategic parity. The United States no longer has a vast lead. Simply stated, that means we can't afford to make any mistakes. A couple of years back, missing out on some information on some new alliance might not have made a difference. But today it could make a difference both in political and military terms.

That is why we find our military commanders increasingly placing more emphasis on intelligence, on what they call strategic warning. Those few hours, those few days could make the critical difference. An obscure troop movement somewhere, the movement of some atomic weapons, the deployment of submarines, maybe a report picked up by a strategically placed agent could reveal some intent or some kind of new alliance.

Indeed, intelligence today could provide the critical difference. And that, I suggest, is very real. We learned the lesson awfully painfully in 1941 at the time of Pearl Harbor. And

-3-

it was for that reason that the CIA was created.

Now since then, the nature of the intelligence business has changed rather dramatically. And this brings me to my second issue: the challenge that that change represents. Certainly we still have to keep an eye on the strategic balance, and we have to watch what the Warsaw Pact is doing. But that's not enough in a complex, intriguing world. We also have to keep our eye on regional and issue-oriented problems. A couple of years back, it was enough just to take a look at one country and analyze that country and say "Where is it heading?" That kind of analysis no longer serves us very well.

Just take a look, for example, at the Horn of Africa, Ethiopia and what's happening in the Ogaden and in Eritrea. But you can't look at that in isolation. You have to look at what's happening in Somalia, how does it affect the Sudan; what about Egypt, what about the People's Democratic Republic of Yemen right across the Gulf; how does the Cuban presence in Ethiopia relate to the Cuban presence in Mozambique; what does this all mean for Angola. Indeed, you could make an analysis that would stretch all the way from Zimbabwe up to Afghanistan.

So it's become much more complicated to look at nations today. And it no longer serves just to have one country as your specialty.

Secondly, we have to deal with a lot of issues today that we didn't have to, things that were never dreamed of at the time CIA was founded. Let's take the intention of some countries to build nuclear weapons, a matter of intense concern to the administration. And there are countries in the world that are doing that, and they're doing it without trying to let anybody know about it. And in many instances, it is only through intelligence that we can find out.

Of course, nobody in his right mind would think of having a SALT treaty if we didn't have the means to implement it. And that means will have to fall principally to our intelligence agencies. Even such issues as the North-South dialogues have have national security implications these days. And then we have a couple of others that sometimes touch us in very personal ways. The question of narcotics. The best way to stop the narcotics trade is to stop it abroad. A lot of that information comes clandestinely through intelligence.

Or terrorism. Practically the only way to stop terrorism is to find out about it in advance, to have a penetration. Fortunately, we've been spared a lot of that in this country. But there is still a danger to our people abroad. And we in the intelligence business do try to penetrate terrorist groups, sometimes successfully, sometimes not so successfully.

-4-

And finally, there are the resource issues. Whoever thought at the time that Central Intelligence was being set up that we would be worried so much about the world's oil reserves and what's going to happen. And whether or not you agree with the study that's been put out on this subject, I think you have to agree that we made these studies in the interests of our national security. And this requires very careful intelligence collection.

Finally, there are the new techniques. And a lot has been made about the technical systems, and indeed these systems will be extremely helpful; indeed essential to verifying SALT. Some people have said to me, "Well, you have the technical systems. Why do you need the human element?" A very simple answer. The technical system will tell you what happened yesterday and what may even be happening today. But it can't tell you what's going to happen tomorrow. It can't tell you what people's intent is. And as long as we need to know the intentions, there will continue to be a human element in the collection business.

Now, CIA for a number of years has been on the front pages of your newspapers. There's been a lot more written than we would like to see. It's not been the best climate in which to conduct an intelligence operation. Some of the charges have been sensationalist; others have been factual. But they have led to what I believe is, by and large, a constructive debate. And that is a debate on what the role of a secret agency in a free society ought to be.

But let's try and put, first of all, some of the charges into perspective without making any effort to defend against all of the charges that have been made. But there is an impression among some that the CIA intelligence community is some kind of a rogue elephant on the loose. And let me just quote a few things. The Church Committee itself, which conducted a far-reaching and, I think it's fair to say, not terribly friendly investigation of the CIA, said [words unintelligible]. The Pike Committee, on the House side, said, and I quote: "All evidence suggests that the CIA, far from being out of control, has been utterly responsive to instructions of the President and the assistants for national security."

Senator Inouye, the highly respected chairman of the first Senate oversight committee, put it even more strongly. He said, and I quote: "There's no question that a number of abuses of power, mistakes in judgment and failures by the intelligence agency have harmed the United States. In almost every instance, the abuses that have been reviewed were the results of directions from above, including Presidents and secretaries of State. Further, in almost every instance, some members of both houses of Congress assigned to give oversight were knowledgeable about the activity."

And to blame the CIA for implementing some of these poli-

-5-

cies is somewhat akin to blaming the Army for the landing in the Dominican Republic, blaming Marines for the landing in Lebanon in the mid 1950s. It was an organization that was carrying out orders.

But be that as it may, I'm prepared to concede the point that we have a credibility problem, or a political problem, or both. And the best way to correct that problem is to reassure the American people that a proper set of checks and balances have been instituted, that the abuses that occurred in the past will not re-occur.

And I think I can tell you in all candor that these checks and balances do exist. And the Director and I practice very much an open door policy. If people have dissents or grievances, we're readily available. And the internal inspection system has been strengthened, and it has a full mandate to look into any charges.

Over and above that, the President has established by Executive Order something called the Intelligence Oversight Board, consisting of three distinguished Americans -- Tom Farmer, former Governor Scranton, former Senator Gore -- which is entirely independent of the CIA. It reports directly to the President, and it is empowered to hear any complaint of wrongdoing from any citizen, anywhere, including CIA employees, without any reference to the Director of Central Intelligence.

And finally, and perhaps most importantly, there is congressional oversight. The congressional oversight system has been greatly strengthened in the past two years, both on the Senate and the House side. I think we have constructive relationships with our parent committees. But that doesn't mean that they don't hesitate to criticize us, or to cut off our funds when they think we're doing something they don't approve of. But this kind of constructive oversight is welcomed.

Finally, we are in favor of seeking charter legislation for the intelligence community. We think this kind of endorsement by the people's representatives in Congress will be helpful. But we also think that charter legislation ought to be just that: broad legislation that gives us certain authorities and sets up procedures to make sure there are no abuses of these authorities. It should not be a form of micro management. And there are difficult issues here. Some people say we ought to write into the charter that we shouldn't overthrow democratic governments, and there shouldn't be any relationship with the press, all of which sounds fine until you get down to the question of trying to define what a democratic government is. Or when you think about the press, does that mean that the CIA shouldn't have a relationship with a TASS correspondent? Oh, of course not. He's a communist. How about some other countries that we may not like, but aren't communist? The question

-6-

gets quite complex. When you start trying to legislate morality, it becomes very difficult.

Let's take a look at terrorism. I mentioned earlier that the best way to stop terrorism is to penetrate it. And in several instances we've received information that has saved lives, including lives of U. S. Ambassadors. But what do we do when our agent in a terrorist group is ordered to go on a hit, or maybe a bank robbery? Well, obviously, you don't authorize him to go out and kill. But if we tell him not to, his life is then in danger. A difficult judgment to make; and even more difficult to make in legislation.

I would suggest that the best way is through the normal procedures, and that is to have Congress confirm in office executives in whom they will have the confidence to make the difficult kind of judgment calls, and then to exercise the proper oversight.

Now in coming to this, we have gotten ourselves into situations where the micro management doesn't seem to make much sense. You have a requirement, for example, that every time that the CIA engages in anything other than pure intelligence collection, something euphemistically called special activity -- it used to be called a covert action -- there has to be a presidential finding and we have to brief seven committees of Congress, up to 140 people. It sounds fine, until the other day, during the Moro kidnaping, we received a request for assistance from the Italian government. They said "Could you send us a psychiatrist who knows something about terrorism?" I said sure. The lawyer came in and said "Huh-huh, that's not intelligence collection. That's a specialized case. And to do that, you'll have to get a presidential finding." The President happened to have been visiting Brazil at that point. "And then you'll have to brief these committees of Congress, 104 congressmen." I said "What? To put a psychiatrist on an airplane?" The answer was yes.

I called up the State Department and said "Do you have a psychiatrist?" He said yes. I said "Will you please put him on an airplane and send him to Rome?" That was that. But it just doesn't make much sense.

Or let me give you a hypothetical example. Let's say we have a democratic election in country "X." And a group of generals begin to wonder about that election. They don't like the candidates for election. And we have an agent in that country who happens to be a general. And he comes to us and says "What should I do? Should I side with the generals, or should I say 'Go pull off a coup!'" Well, if I understand the law, before we give him advice, we would have to have a presidential finding and brief nearly a dozen committees of Congress. And how long do you think the name of that general will remain a secret? Obviously

-7-

we're not going to give him advice.

And I simply put these kinds of issues out as the type of thing that can be addressed and, I hope, simplified in charter legislation.

My last issue, our ability to protect our sources and methods, is probably the most fundamental of all. No matter how sincere people are, it is simply axiomatic that the more people know about something, the greater is the likelihood that it will become public. And frankly, too many people know about what is going on in our intelligence community today. And in fact, there are those who make a career out of trying to expose the names of CIA employees. There's a former CIA employee named Philip Agee who prints in DuPont Circle, in Washington, D. C., a monthly publication called "Covert Action," which is designed, purely and simply to expose the names of CIA people overseas and does so in such a way that it clearly incites people to violence. And we have some unhappy memories of that kind of thing.

Yet when we look at ways to deal with this, we find that we antequated espionage laws. We have laws in this country that make it a crime just to give out information from the Department of Agriculture on crop futures, or to give out information from the Department of Commerce, or information from the IRS. But there is no such law with regard to national security. It is only a crime if you can prove intent to harm the United States, which is very difficult to do.

So it's no wonder that we have people who come into the CIA, spend some time, go out and write a book, make some money. And we find that our only legal remedy right now is a civil suit; hardly adequate if we're going to maintain the integrity of our intelligence secrets.

And in fact, some of our laws wouldn't seem to help. I mentioned Philip Agee before. Under the Privacy Act and the Freedom of Information Act, we have three people in the CIA, at least at the last count I made, who are spending fulltime supplying information to Mr. Agee.

Now in terms of making information available to the public, we favor it. And I think Admiral Turner spoke to this group about it last year. Our agency puts out some hundred and fifty finished reports on serious topics, such as economic developments in the Soviet Union, the steel industry in China, world oil reserves. I think that serves a useful purpose, and we intend to continue that. But at the same time, we find that we have diverted 109 man years to answering 85 Freedom of Information Act requests a week; people writing in saying "Tell me all about the Berlin Tunnel," one of whom was a 13 year old. It's not that I see anything wrong with the Freedom of Information Act. But when it comes

-8-

to an intelligence agency, it is virtually self-defeating. We spend 2.6 million dollars supplying this information, at approximately \$540.00 per request, most of which goes to taking out the national security information. So when the product emerges, it amounts to very little, except that it's been helpful to one or two authors.

Also as I understand the act, if the head of the KGB were to write and say "Tell us about the KGB, what you have in your files on the KGB," we would legally have to respond in ten days. And if we turned down his request on security grounds, he would have twenty days in which we have to respond -- we would have twenty days to respond to his appeal.

Now, I suggest that we don't want to turn an agency designed to provide our policy-makers with the best possible information to the purveyor of information to the world.

I can say that this is a matter of very serious concern for us. The issue is very simple. Do we need an intelligence organization? The answer is, yes. Then you have to accept the fact that with that organization comes some secrecy. And secrecy is not a new concept in our society. When we talk about the doctor-patient relationship, the lawyer-client relationship, the secrecy of grand juries, credit information, why should someone who provides information to the U. S. government be entitled to less than that? Indeed, I find myself in agreement with our friends in the press when they say they've got to protect their sources, because if they can't protect their sources, they're going to lose information. That's exactly our point.

A couple of differences. Their stand is based on a constitutional interpretation which is still open to dispute. Our responsibility to protect our sources is very specific in the 1947 National Security Act. And in most cases, if they lose their sources, they lose information. Quite frankly, in some cases if we lose our sources, lives are at stake. So I think it is a very serious issue.

I'm frequently asked, well, how do we stand? How do we do vis-a-vis the adversary? And let me close on this note. The KGB has more resources than we have. They have fewer restraints than we have. They operate with a pretty few hand. They also have disadvantages. Technically, we're ahead. And they carry around an awful lot of ideological baggage. And the worst way to deal with intelligence is from an ideological perspective. In many cases, intelligence is bad news. And I would not like to be the bearer of bad news to the Kremlin.

The fact is that our analytical capability is, in my judgment, far superior to theirs. Yes, I still think we're number one, and we need to be number one. But we're going to have

-9-

to run to stay ahead. We're going to have to work hard. We're going to make progress, and to make that progress we're going to need the support of groups such as this.

And I thank you very much for the opportunity to let me make my speech here tonight.

Thank you.

Lynn Joiner
KPIX 5 News
2655 Van Ness
San Francisco, California 94109
776-5100

Randy Riddle
Producer/Reporter
In Depth
KCBS/CBS Radio
One Embarcadero Center
San Francisco, California 94111
415-982-7000

Michael Brassington
Executive Director
Commonwealth Club of California
681 Market Street
San Francisco, California

Edmonde A. Haddad
Executive Director
Los Angeles World Affairs Council
900 Wilshire Boulevard
Suite 230
Los Angeles, California 90017

Valerie L. Reilly
Director International Forum
Same as Haddad

Louis Lancaster
President
The Channel City Club
Post Office Box 540
Santa Barbara, California 93102
805-966-6303

Jane S. Dyruff
Assistant Secretary
Same as Lancaster

Henry M. Shine, Jr.
Executive Vice President
California Bankers Association
Hartford Plaza
San Francisco, California 94108
485-433-1894

Dorothy House
Vice President/Member Relations
Same as Shine